

[From the Washington Times, May 7, 1997]
THE ART OF THE BALANCED BUDGET DEAL

(By Tod Lindberg)

My rule of political progress (which is not original to me) goes something like this: First, you lock in everything you can get; then you denounce it as grossly inadequate. If you get the order wrong, the perfect becomes the enemy of the good—and in an unholy alliance with the bad, the perfect crushes the good every time.

Therefore, I like the budget deal. Can I imagine a better one? Very easily; but I have no particular reason to think my musings are going to be enacted by Congress and signed by the president into law any time soon. The deal is the only game in town.

The budget deal before us would: 1) balance the budget by 2002; 2) do so while cutting taxes. The past four years have seen a huge shift in the terms of the fiscal debate in this country: from whether to increase taxes or not in order to reduce the deficit en route to a balanced budget (the animating principle of the disastrous 1990 budget deal and President Clinton's 1993 deficit reduction package, which passed Congress without a single Republican vote), to whether to cut taxes or not while balancing the budget—two points the president is now prepared to support. This deal codifies the latter two in law; to me, this is progress.

I'll leave the liberal arguments against the deal to the other side. But here are some notes on some of the conservative arguments against it.

It allows discretionary spending to grow. So it does, and that is not desirable. But there are now caps, and the caps prevent domestic spending growth from even keeping pace with inflation. That means real declines over time.

The spending caps become floors. They may; the task of fiscally conservative members of Congress will be to keep making the case that these caps are too high—against liberals who will say they are too low. But the conservatives would have had to make exactly the same case in the absence of this deal, too.

The reforms in Medicare are just price controls. Actually, so's the current system; nothing new there. We still need Medical Savings Accounts in Medicare and elsewhere. But surely there are some savings that can be extracted from the current system short of MSAs. Now we will see.

The deal doesn't reform Medicaid significantly. True; but this is a GOP problem as well as a Democratic problem. Governors from both parties hated the per-head caps that were under discussion. Medicaid needs reform no less (but no more) than it did before the deal.

The tax cut is small. Yep. But it's a tax cut, one that will apparently include a reduction in the capital gains rate from its current level (which is where it was when Jimmy Carter left office). The per-child tax credit, though not meaningful in terms of promoting economic growth, will mean a lot to the middle-income families who qualify for it. As for Mr. Clinton's favored college tuition tax credits, they are merely foolish, not dangerous. And none of the other tax cuts happens without his signature.

It enshrines government in its current bloated size and scope. Some folks seem to think that this is the end of politics for the duration of the agreement. That's simply wrong. The problem is that Republicans weren't able to articulate their thoughts on the size and scope of government in a fashion that voters found so compelling they were willing to turn over both the legislative and executive branches to the GOP. Conservatives will not be hindered in making that

case by an agreement that says government will live within its means while cutting taxes.

It's "balanced-budget liberalism." I don't think there is such a thing as balanced-budget liberalism. If the budget is balanced, liberalism has mutated into a less virulent species—by moving to the right. I think that merely shifts the center to the right, which is to the advantage of conservatives.

It relied on a \$225 billion cash infusion thanks to new revenue estimates. Less than people think. Of that \$225, about \$108 billion went toward inserting (tougher) CBO revenue projections. That's not spending. About \$20 billion of it went toward avoiding a legislative fix of the consumer price index, leaving a smaller fix possible under current law in the hands of the Bureau of Labor Statistics (I'd like to see CPI fixed altogether, but in the context of tax relief). About \$10 billion went to keep from fixing Medicaid, and (yipee) we get \$7 billion more in transportation. Bike paths for everybody! That leaves \$80 billion—a nice insurance policy.

Defense is getting cut too much. Yes. But the sentiment to increase it is not yet there. Proponents will need to make the case more urgently.

Mr. Clinton will be weaker, and the deal terms will be better, as the scandals unfold in the summer. Oh, promise me. Anyway, if that's true, Republicans ought to take the occasion then to stuff something down his throat he hasn't swallowed here. MSAs, maybe?

Birth of an entitlement: KiddieCare. Yes, that's quite bad. No point in pretending otherwise. Question: If there is no deal, can it be stopped? And does it really trump a balanced budget with tax cuts?

Perfect? Hardly. Progress? Definitely. After all, Rome wasn't burned in a day.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) for today, Wednesday, May 7, after 7:30 p.m., on account of illness.

Mr. FILNER (at the request of Mr. GEPHARDT) after 3:30 p.m. today, and Thursday, May 8, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)

Mr. HULSHOF, for 5 minutes, on May 14.

Mr. BOB SCHAFFER of Colorado, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, today.

Mr. PAPPAS, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. HANSEN, for 5 minutes, on May 8.

Mr. MCINNIS, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

(The following Member (at the request of Mr. STUPAK) to revise and extend her remarks and include extraneous material:)

Mrs. KENNELLY of Connecticut, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)

Mr. ROGAN.

Mr. EVERETT.

Mr. BONO.

Mr. GREENWOOD.

Mr. JENKINS.

Mr. GILMAN.

Mr. MCCOLLUM.

Mr. EWING.

Mr. HOSTETTLER.

Mr. MANZULLO.

(The following Members (at the request of Mr. STUPAK) to revise and extend their remarks and include extraneous material:)

Mr. KUCINICH.

Mr. KENNEDY of Rhode Island.

Mr. BOYD.

Mr. FAZIO of California.

Mr. HAMILTON.

Mr. STARK.

Mr. TRAFICANT.

Mr. WAXMAN.

Mr. KENNEDY of Massachusetts.

Ms. CARSON.

Ms. JACKSON-LEE of Texas.

Mr. MCGOVERN.

Mr. POSHARD.

Mr. TORRES.

Ms. SLAUGHTER.

Mr. BENTSEN.

Mr. ACKERMAN.

Mr. WISE.

Mr. LEVIN.

Mr. LAFALCE.

Mr. HINCHEY.

Mr. GEJDENSON.

Ms. EDDIE BERNICE JOHNSON of Texas.

Mr. ENGEL.

Mr. LANTOS.

Mr. GUTIERREZ.

Ms. PELOSI.

Mr. FORD.

Mr. COYNE.

Mr. KLINK.

Mr. RUSH.

ADJOURNMENT

Mr. HAYWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), the House adjourned until tomorrow, Thursday, May 8, 1997, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3153. A letter from the Administrator, Cooperative State Research, Education, and Extension Service, transmitting the Service's final rule—Small Business Innovative